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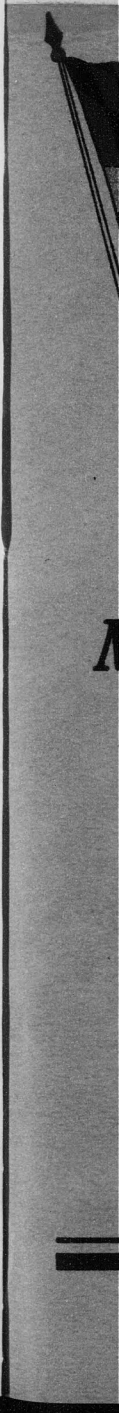

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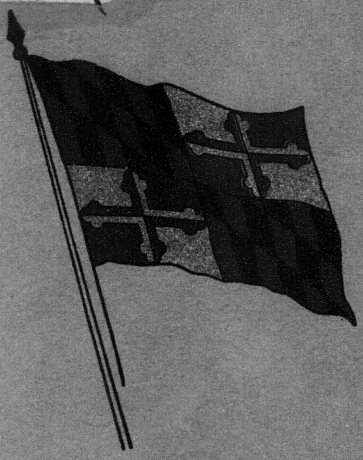

28th ANNUAL REPORT

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

1947

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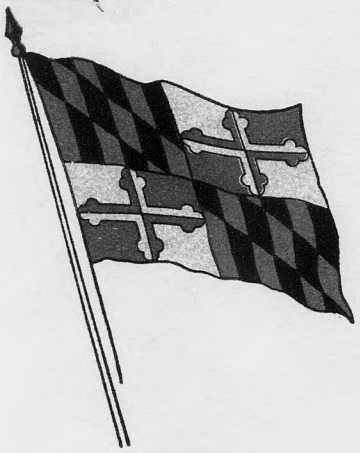

28th ANNUAL REPORT

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

1947

TWENTY-EIGHTH ANNUAL REPORT

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

1947

MARYLAND RACING COMMISSION

BOARD

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FRANK SMALL, JR. H. COURTENAY JENIFER

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Assistant Administrator

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DR. J. A. STEWART DR. HULBERT YOUNG

MARYLAND RACING COMMISSION

504 MARYLAND TRUST BUILDING

BALTIMORE, MARYLAND

TO HIS EXCELLENCY, WILLIAM PRESTON LANE, JR.,

Governor of Maryland:

The year 1947 witnessed a moderate decline in the mutuel handle at the Maryland tracks from the all-time high of 1946, as evidenced by the following figures:

Mile Tracks

1946	Amount bet	$101,583,856
1947	Amount bet	95,178,632
	Decrease	$ 6,405,224
	Percentage decrease ...	6.3%

Half-Mile Tracks

1946	Amount bet	$ 16,953,904
1947	Amount bet	15,151,474
	Decrease	$ 1,802,430
	Percentage decrease ...	10.63%

The decrease in wagering was expected with the return to more normal and stable conditions, and the extent of the decrease is less than many observers had anticipated. On the basis of the results of 1947, it would seem reasonable to assume that there will not be any sudden or substantial drop in the volume of pari-mutuel wagering so long as business activity and economic conditions do not change materially.

NEW TAX SYSTEM APPLICABLE IN 1947

During 1947 a new system of taxing the race tracks, both the mile tracks and the county fairs, was put into effect as a result of changes in the law made at the special 1946 session of the Legislature. The effect of these changes deserves some comment.

MILE TRACKS

Under the old system the mile tracks paid (a) a daily license fee of $6,000.00 (Pimlico paid $3,000.00 additional to Balti-

more County); (b) a tax of 2% of the money wagered, plus breakage; and (c) a 15% tax on net revenue. The amount realized from these taxes in 1946 when wagering reached an all-time high was $3,802,707.26.* The new law simplified the tax system. The daily license fee was reduced to $1,000.00 for each track (eliminating the unequal burden which Pimlico had borne for many years); the tax on wagering was increased to 4%, plus one-half of the breakage; and the tax of 15% on net revenue was repealed. The amount realized under the new system in 1947 from the mile tracks was $4,551,658.58, or an increase of $748,951.32 over the year 1946 when the volume of wagering was higher. In spite of the fact that the tracks paid a higher tax on their operations for 1947 than in 1946, they are in some respects on a sounder basis under the new system as a result of the removal of the high daily license fee, which might prove burdensome in the event of a slump, and of the 15% tax on net revenue, which involved difficult accounting problems. The increase in the tax on wagers ensures that the state will receive large returns when the volume of betting is high; but, on the other hand, the tracks have been relieved of the high fixed daily license fee.

COUNTY FAIR TRACKS

The taxes on the county fair tracks were increased substantially by the Legislature at the 1947 session. Prior thereto these tracks were subject to (a) a daily license fee of $50.00; (b) a tax of 2% on money wagered in excess of $500,000.00; and (c) a tax of 5% on net revenue. These taxes produced in 1946 the sum of $320,381.60.

Under the new system the county fairs are required to pay a daily license fee of $50.00 as heretofore, and in addition, a tax of 1% on the first $500,000.00 wagered, 2% on money wagered between $500,000.00 and $1,000,000.00, 4% on money wagered over $1,000,000.00, and one-half of the breakage. These taxes realized the sum of $609,272.71 in 1947, or an increase in the amount paid by the county fairs of $288,891.11.

CHANGE IN DISTRIBUTION OF REVENUE FROM RACING

It is also worthy of note that the revenue from racing, which (with the exception of certain fees paid to the counties in which the tracks are located) has heretofore been credited to the general funds of the state, will for 1947 and subsequent years be shared with Baltimore City and the county governments, to be used by the latter for capital improvements. Also,

*NOTE—This figure does not include the overpayment of $72,280.28 made by the Maryland Jockey Club of Baltimore City in 1946, which was allowed as a credit against 1947 taxes.

one-quarter of all revenues and half the breakage from the county fairs is allocated to the Maryland State Fair Board for the promotion of agricultural fairs and exhibits. Thus all the local governmental sub-divisions of the state and the agricultural interests of the state through the State Fair Board receive direct benefits from the revenue produced by racing.

IMPROVEMENT FUND

The restrictions on building were not relaxed sufficiently to permit any major program of improvements at the state's race tracks, although certain improvements of substantial value were carried out in some instances. As a result, the Improvement Fund derived from the ½ of 1% of the mutuel handle at the mile tracks, set aside as required by law, has continued to increase so that at the end of the year 1947 the amount in the fund is $1,687,944.41, apportioned among the tracks as follows:

Bowie	$ 279,563.98
Havre de Grace	452,814.70
Laurel	445,189.18
Pimlico	510,376.55
Total	$1,687,944.41

The Commission hopes that during the coming year building conditions will improve and restrictions will be modified sufficiently to permit major improvements to be made which will contribute to the comfort and convenience of the public and to the welfare of the horsemen, jockeys, grooms and others employed at the race tracks. The amount available for this purpose should insure very substantial improvements in the physical properties of the tracks as soon as building restrictions are removed.

HALF-MILE TRACKS

The half-mile tracks enjoyed a successful season. The performance of the horses and of the jockeys was more formful than in the past. The agricultural exhibits and livestock shows were for the most part improved. The Commission is trying to emphasize and give effect to the requirement that the half-mile tracks must have a bona-fide, well-organized and well-supported agricultural fair as a condition of a license to hold a race meet. It intends to cooperate fully with the State Fair Board to accomplish this end, and it hopes that there will be further improvements in the agricultural exhibits in the future in line with this policy. The agricultural exhibits and activities held in connection with the fair at Timonium were outstanding and have won Timonium recognition as one of the best county fairs in the country.

The delapidated condition and inadequate facilities of the Marlboro Racetrack and dissatisfaction on the part of agricultural interests in the county with its fair led the Commission to refuse a license to the Southern Maryland Agricultural Fair Association at the time when the licenses to the other county fairs were granted on July 3, 1947. Subsequently, after some repairs and improvements had been made, and because of the hardship to the horsemen and loss of revenue to the state and the Fair Board which would have resulted from the failure to hold the Marlboro meeting, and because of the fact that building restrictions might to some extent have contributed to the failure of the Marlboro management to make urgently needed improvements, the Commission granted a license for the meeting. However, the Commission does not believe that it should continue to sanction meetings at the Marlboro track indefinitely unless the plant is rebuilt. The association enjoys a monopoly granted by the Legislature. If it does not provide an adequate plant for its meetings and hold a first-class agricultural fair, the Legislature might well consider whether it should be permitted to continue to enjoy its franchise.

NEW RULES

The revision of the Rules of Racing, which had been under consideration for some time, was completed and the new Rules were adopted and reprinted in 1947.

RECEIVING BARN AND TESTING LABORATORY

During the year 1947 the Commission extended the use of the receiving barn to the half-mile tracks. While the receiving barn with the necessary guards and other personnel required for its operation imposes a heavy expense on the tracks, the Commission believes that the cost is justified if it results in the elimination of the stimulation of horses and prevents other improper practices. No case of stimulation was detected during the 1947 season.

The Commission also maintained a laboratory set up in a trailer, which is moved from track to track, in which both biological and chemical tests of saliva and urine samples are made. To illustrate the extent of this work it may be noted that 10,597 pre-race tests were made and that post race tests involved 1,230 saliva samples, and 175 urine samples. The cost of the maintenance and operation of the mobile laboratory is apportioned among the respective racing associations as part of the expense of supervision which the Commission is authorized by law to require the associations to pay.

VIOLATIONS OF RULES

During the year the Commission was obliged to deal with various infractions of the rules which occurred from time to

time. In such matters it had the invaluable assistance and cooperation of the Thoroughbred Racing Protective Bureau, whose representatives were not only available for investigative work at any time, but were also alert to prevent and detect offenses at the tracks affiliated with the Thoroughbred Racing Associations. The most serious malpractice occurring during the year was the shooting of a horse while being schooled from the starting gate, which occurred at the Laurel Racetrack during the Bowie fall meeting. Racing was not in progress at Laurel at the time. Full and thorough investigation of the incident was made by the Thoroughbred Racing Protective Bureau under the Commission's direction. Thereafter a hearing on the matter was held before the Commission as a result of which the parties responsible were ruled off for life for the mistreatment of the horse.

TOTAL PURSE DISTRIBUTION

The continued high level of pari-mutuel wagering has been accompanied by a high level of purse distribution as shown by the following table:

Mile Tracks	Average Daily Purse Distribution	Half-Mile Tracks	Average Daily Purse Distribution
Pimlico	$47,101.32	Bel Air	$8,430.00
Laurel	31,924.40	Marlboro	8,260.00
Havre de Grace	30,143.52	Timonium	8,255.00
Bowie	26,306.92	Cumberland	8,220.00
		Hagerstown	8,130.00

Unfortunately there has been a substantial increase in the cost of maintaining a stable of horses, which deprives the horsemen of much of the benefit which might otherwise be derived from purses of the above amounts.

STEEPLECHASING

The sport of steeplechasing has always been popular in Maryland, and it has been the policy of the Maryland Racing Commission from its inception to encourage this sport insofar as it is within its power. Unfortunately, the quality of the sport during 1947, particularly in the fall meetings, left much to be desired. The stake races on the whole produced good racing and good performances, but in the cheaper races many of the performances were extremely bad. It is hoped that a program can be worked out which will improve this situation and raise the standard of steeplechasing during the 1948 season.

HARNESS RACING LICENSES

The 1947 session of the Legislature authorized the Racing Commission, in its discretion, to license not more than 100 days of harness racing with pari-mutuel betting privileges, not more than 20 days' racing to be permitted at any one track. Not more than one license may be granted in Carroll, Dorchester, Frederick, Montgomery or Wicomico counties. The new law became effective on July 1, 1947. On July 3, the Commission issued regulations governing applications for harness racing licenses and providing the procedure to be followed by applicants for licenses. It was determined that no licenses would be issued for harness meetings at tracks licensed to hold running races. Pursuant to these regulations, ten applications for licenses were filed with the Commission. All of these applications were heard by the Commission at public hearings after notice by advertisement, and the sites of the proposed tracks were inspected. The determination of the number of days of harness racing to be permitted for 1948 and the task of selecting the applicants to be granted licenses called for intensive study and investigation by the Commission. It finally determined that it would be inadvisable to license more than sixty days of racing for 1948, twenty days to be allocated to each of three associations. The Commission decided to act favorably on the applications of Rosecroft Trotting & Pacing Association for a track to be located at Oxon Hill in Prince George's County; of Laurel Harness Racing Association for a track to be located on the Baltimore-Washington Boulevard in Howard County; and of Ocean Downs Racing Association for a track in Worcester County near Ocean City. The basis for the Commission's decision was set forth in a detailed statement announcing its ruling on the applications. Licenses will be issued to the associations named above upon completion of their plants in conformity with plans and specifications submitted with their respective applications, and upon the Commission's being satisfied that they are in sound financial condition to meet the obligations incident to the conduct of a race meet.

It was with regret that the Commission reached the conclusion that it should reject some of the other applications submitted. However, the Commission is of the opinion that there is little room for any increase in the amount of racing with pari-mutuel betting in Maryland, and that the sanctioning of an excessive amount of racing might well cause irreparable injury to the whole racing structure of the state, with harmful consequences to the state, to the existing tracks, to the horsemen and to the breeders and agricultural interests. It thinks that it is preferable to proceed cautiously in the licensing of harness racing and to have the benefit of some experience with this sport as a guide to future policy before sanctioning any additional meetings.

The duty of supervising harness racing was imposed upon the Commission by the Legislature without making any provision for additional employees. This will impose a considerable burden on the Commission and its employees during 1948, the exact extent of which it is impossible to determine, particularly in view of the fact that harness race meetings and running race meetings will at times be conducted simultaneously during the coming season.

RECOGNITION OF SERVICES

The Commission wishes to express its appreciation for the services rendered by the office of the Attorney General, the Attorney General, Mr. Hall Hammond, his Deputy, Mr. Richard Emory, and the Assistant Attorney General, Mr. Joseph Busher, who have made substantial contributions to the work of the Commission. The Commission also desires to commend the Thoroughbred Racing Protective Bureau and its representatives in Maryland for their efficient and capable services rendered to the Commission in a great number of instances during the year 1947. Their work has been of great assistance to the Commission and a substantial contribution to the welfare of racing in Maryland.

There is submitted herewith a report for the year of the receipts and expenditures at all of the tracks, together with the report of the receipts and expenditures of the Commission as required by law.

Respectfully submitted,

STUART S. JANNEY, JR., Chairman
FRANK SMALL, JR.
H. COURTENAY JENIFER

J. WILLIAM GRAHAM, Secretary

MARYLAND RACING COMMISSION

BALTIMORE, MARYLAND

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year Ended December 31, 1947

RECEIPTS

COUNTY FAIRS:			
Harford County Fair Association, Inc., Bel Air:			
10 Days racing at $50.00 per day	$ 500.00		
Tax on money wagered—1% on 1st $500,000; 2% on 2nd $500,000; 4% on all over $1,000,000—Total Bet $3,739,425.00	124,577.00		
One-Half of Breakage	28,958.70	$ 154,035.70	
Agricultural and Mechanical Association of Washington County—Hagerstown:			
10 Days racing at $50.00 per day	$ 500.00		
Tax on money wagered—1% on 1st $500,000; 2% on 2nd $500,000; 4% on all over $1,000,000—Total Bet $2,543,416.00	76,736.64		
One-Half of Breakage	22,835.05	100,071.69	
Cumberland Fair Association, Inc., Cumberland:			
10 Days racing at $50.00 per day	$ 500.00		
Tax on money wagered—1% on 1st $500,000; 2% on 2nd $500,000; 4% on all over $1,000,000—Total Bet $2,640,087.00	80,603.48		
One-Half of Breakage	23,244.10	104,347.58	
Maryland State Fair and Agricultural Society of Baltimore County—Timonium:			
10 Days racing at $50.00 per day	$ 500.00		
Tax on money wagered—1% on 1st $500,000; 2% on 2nd $500,000; 4% on all over $1,000,000—Total Bet $3,141,903.00	100,676.12		
One-Half of Breakage	25,139.50	126,315.62	
Southern Maryland Agricultural Fair Association—Marlboro:			
10 Days racing at $50.00 per day	$ 500.00		
Tax on money wagered—1% on 1st $500,000; 2% on 2nd $500,000; 4% on all over $1,000,000—Total Bet $3,086,643.00	98,465.72		
One-Half of Breakage	25,536.40	124,502.12	
Total Receipts from County Fairs			$ 609,272.71

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year Ended December 31, 1947

TOTAL RECEIPTS FROM COUNTY FAIRS—(Forward)			$ 609,272.71
ONE MILE TRACKS:			
Harford Agricultural and Breeders' Association—Havre de Grace:			
25 Days racing at $1,000 per day	$ 25,000.00		
4% Tax on money wagered	891,353.24		
Breakage	143,150.30	$ 1,059,503.54	
Maryland State Fair, Inc., Laurel:			
25 Days racing at $1,000 per day	$ 25,000.00		
4% Tax on money wagered	945,960.76		
Breakage	$ 160,245.30	$ 1,131,206.06	
Maryland Jockey Club of Baltimore City, Pimlico:			
25 Days racing at $1,000 per day	$ 25,000.00		
4% Tax on money wagered	1,097,766.00		
Breakage—(See Note)	111,246.57	1,234,012.57	
Southern Maryland Agricultural Association—Bowie:			
25 Days racing at $1,000 per day	$ 25,000.00		
4% Tax on money wagered	872,065.29		
Breakage	157,590.85	1,054,656.14	
Total Receipts from One Mile Tracks			4,479,378.31
MISCELLANEOUS:			
LICENSE FEES:			
Owners	$ 7,986.00		
Trainers	1,518.00		
Jockeys	654.00	$ 10,158.00	
REGISTRATION FEES:			
Agents	$ 197.00		
Jockey Agents	295.00		
Assumed Names	3,350.00	3,842.00	
Total Miscellaneous Receipts			14,000.00
TOTAL OF ALL RECEIPTS			$ 5,102,651.02

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year Ended December 31, 1947

TOTAL OF ALL RECEIPTS—(Forward)		$ 5,102,651.02
DISBURSEMENTS		
COUNTY FAIRS:		
TO TREASURERS OF COUNTIES:		
10 Days Racing in Each County at a License Fee of $50.00 per day:		
Harford County—(Harford County Fair Association, Inc.—Bel Air)	$ 500.00	
Washington County—(Agricultural and Mechanical Association of Washington County—Hagerstown)	500.00	
Allegany County—(Cumberland Fair Association—Cumberland)	500.00	
Baltimore County—(Maryland State Fair and Agricultural Society of Baltimore County—Timonium)	500.00	
Prince George's County—(Southern Maryland Agricultural Fair Association—Marlboro)	500.00	
Total Disbursements to Treasurers of Counties for County Fairs		$ 2,500.00
TO STATE COMPTROLLER:		
FOR USE OF MARYLAND STATE FAIR BOARD:		
Harford County Fair Association, Inc., Bel Air:		
One-Half of Breakage	$ 28,958.70	
Agricultural and Mechanical Association of Washington County—Hagerstown:		
One-Half of Breakage	22,835.05	
Cumberland Fair Association, Inc., Cumberland:		
One-Half of Breakage	23,244.10	
Maryland State Fair and Agricultural Society of Baltimore County, Timonium:		
One-Half of Breakage	25,139.50	
Southern Maryland Agricultural Fair Association—Marlboro:		
One-Half of Breakage	25,536.40	
Total Disbursements to State Comptroller for Use of Maryland State Fair Board		$ 125,713.75
TO STATE COMPTROLLER:		
TAX ON BETTING:		
Harford County Fair Association, Inc., Bel Air:		
Tax on Betting—1% on 1st $500,000; 2% on 2nd $500,000; 4% on balance—Total Bet $3,739,425.00	$ 124,577.00	
TOTAL OF ALL RECEIPTS—(Forward)		$ 5,102,651.02
TOTAL DISBURSEMENTS TO TREASURERS OF COUNTIES FOR COUNTY FAIRS—(Forward)		$ 2,500.00
TOTAL DISBURSEMENTS TO STATE COMPTROLLER—FOR USE OF MARYLAND STATE FAIR BOARD—(Forward)		125,713.75
TAX ON BETTING—(Forward)	$ 124,577.00	

STATEMENT OF RECEIPTS AND DISBURSEMENTS
For the Year Ended December 31, 1947

TOTAL OF ALL RECEIPTS—(Forward)				$ 5,102,651.02
DISBURSEMENTS TO TREASURERS OF COUNTIES—TOTAL FOR COUNTY FAIRS—(Forward)			$ 2,500.00	
TOTAL DISBURSEMENTS TO STATE COMPTROLLER—FOR USE OF MARYLAND STATE FAIR BOARD—(Forward)			125,713.75	
DISBURSEMENTS TO STATE COMPTROLLER—TAX ON BETTING—(Forward)		$ 124,577.00		
COUNTY FAIRS—(Continued):				
TO STATE COMPTROLLER:				
TAX ON BETTING—(Continued):				
Agricultural and Mechanical Association of Washington County—Hagerstown: Tax on Betting—1% on 1st $500,000; 2% on 2nd $500,000; 4% on Balance—Total Bet, $2,543,416.00		76,736.64		
Cumberland Fair Association, Inc., Cumberland: Tax on Betting—1% on 1st $500,000; 2% on 2nd $500,000; 4% on Balance—Total Bet $2,640,087.00		$ 80,603.48		
Maryland State Fair and Agricultural Society of Baltimore County—Timonium: Tax on Betting—1% on 1st $500,000; 2% on 2nd $500,000; 4% on Balance—Total Bet $3,141,903.00		100,676.12		
Southern Maryland Agricultural Fair Association—Marlboro: Tax on Betting—1% on 1st $500,000; 2% on 2nd $500,000; 4% on Balance—Total Bet $3,086,643.00		98,465.72		
Total Disbursements to State Comptroller—Tax on Betting			481,058.96	
TOTAL DISBURSEMENTS TO COUNTY TREASURERS AND TO STATE COMPTROLLER—COUNTY FAIRS				$ 609,272.71
OFFICE EXPENSE AND DISBURSEMENTS:				
SALARIES:				
Commission	$ 10,000.00			
Office	8,622.89	$ 18,622.89		
Premiums on Bonds		1,570.00		
Forward		$ 20,192.89		
TOTAL OF ALL RECEIPTS—(Forward)				$ 5,102,651.02
TOTAL DISBURSEMENTS TO COUNTY TREASURERS AND TO STATE COMPTROLLER—COUNTY FAIRS—(Forward)				$ 609,272.71
OFFICE EXPENSE AND DISBURSEMENTS—(Forward)		$ 20,192.89		

STATEMENT OF RECEIPTS AND DISBURSEMENTS
For the Year Ended December 31, 1947

TOTAL OF ALL RECEIPTS—(Forward)			$ 5,102,651.02
TOTAL DISBURSEMENTS TO COUNTY TREASURERS AND TO STATE COMPTROLLER—COUNTY FAIRS—(Forward)		$ 609,272.71	
OFFICE EXPENSE AND DISBURSEMENTS—(Forward)	$ 20,192.89		
OFFICE EXPENSE AND DISBURSEMENTS—(Continued):			
Travel and Miscellaneous Expense—Commission and Employees	2,399.19		
Stationery, Printing and Postage	1,856.91		
Subscriptions and Dues	461.50		
Telephone and Telegraph	732.07		
Office Equipment	312.32		
Saliva Tests—Supplies and Expenses	670.58		
Court Expenses—Stenographic Services—Transcripts	1,018.10		
Motor Car—Expenses and Accessories	386.05		
Other Expenses—Miscellaneous	253.30		
Other Expenses—Amount appropriated by Special Session of Legislature	1,544.00		
Total Office Expense		$ 29,826.91	
MARYLAND STATE FAIR BOARD:			
Salary	$ 971.50		
Expenses	4.75		
Total Maryland State Fair Board Expenses		976.25	
TOTAL OF ALL EXPENSES			30,803.16
TOTAL DISBURSEMENTS TO COUNTY TREASURERS FOR COUNTY FAIRS—STATE COMPTROLLER FOR USE OF MARYLAND STATE FAIR BOARD—STATE COMPTROLLER, TAX ON BETTING—AND OFFICE EXPENSE AND DISBURSEMENTS			640,075.87
DISBURSEMENTS:			
To County Treasurers for County Fairs			2,500.00
			$ 637,575.87
TO STATE COMPTROLLER:			
Balance of Net Revenue for Year 1947			4,465,075.15
TOTAL OF ALL DISBURSEMENTS			$ 5,102,651.02

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year Ended December 31, 1947

SUMMARY OF AFOREGOING STATEMENT:

RECEIPTS:			
For Treasurers of Counties—County Fairs	$ 2,500.00		
For State Comptroller—One-Half of Breakage—County Fairs—For Use of Maryland State Fair Board	125,713.75		
For State Comptroller—Tax on Betting, County Fairs	481,058.96		
For State Comptroller—Taxes, Breakage, and Misc. Fees—Mile Tracks	4,493,378.31		
Total of All Receipts		$ 5,102,651.02	
DISBURSEMENTS:			
To Treasurers of Counties—County Fairs		2,500.00	
To State Comptroller			$ 5,100,151.02
EXPENSES:			
Maryland Racing Commission—Salaries and Operating Expenses		$ 29,826.91	
Maryland State Fair Board—Salaries and Operating Expenses		976.25	30,803.16
NET RETURNS TO STATE—1947			$ 5,069,347.86

NOTE*—The breakage shown from the Maryland Jockey Club of Baltimore City is the net amount received after crediting against the total breakage for 1947 an overpayment of $72,280.28 made by the Maryland Jockey Club of Baltimore City in 1946 on the 15% tax on net revenue. This credit was authorized by the State Comptroller.

HARFORD AGRICULTURAL AND BREEDERS' ASSOCIATION, INCORPORATED

STATEMENT OF INCOME AND SURPLUS

For the Year Ended October 31, 1947

REVENUE:		
Admissions:		
General	$ 284,490.00	
Club house	50,879.00	
Boxes	4,449.00	
Reserved seats	3,287.63	
Service charge in connection with complimentary badges	10,198.10	
Pari-mutuel commissions	2,228,383.10	
Pari-mutuel breakage	286,300.60	
Programs—net	16,723.00	
Concessions	12,500.00	
Interest and dividends	5,239.00	
Sale of manure	4,000.00	
Leads to post	540.00	
Miscellaneous	120.00	
Total		$2,907,109.43
EXPENSES:		
State license	$ 25,000.00	
State tax on pari-mutuel sales	891,353.24	
State tax on admissions	1,767.13	
Amount remitted to Maryland Racing Commission as Racing Fund (½ of 1% of amount bet)	111,419.16	
Pari-mutuel breakage paid to State	143,150.30	
Stakes and purses	709,375.00	
Awards to breeders	7,750.00	
Pari-mutuel expenses:		
Salaries and wages	155,828.00	
Stationery and printing	9,516.78	
Other (transportation of money, etc.)	3,498.18	
Rent of totalisator	67,752.01	
Salaries and wages of racing officials and employees	87,348.50	
Services of detective agencies	58,959.42	
Assessment for protective service	20,000.00	
Ambulance and medical services	1,710.46	
Rent of starting stalls	1,875.00	
Transportation of horses	8,664.02	
Photo-finish expense	3,125.00	
Music and announcing	675.00	
Saliva tests	2,000.00	
Jockeys' laundry	823.65	
Jockeys' insurance	2,385.00	
Track cleaning	6,531.23	
Advertising and publicity service	19,865.22	
FORWARD	$2,340,372.30	$2,907,109.43

REVENUE—(Forward)			$2,907,109.43
EXPENSES—(Forward)		$2,340,372.30	
Officers' salaries, directors' compensation, and legal fees:			
Maj. Gen. Milton A. Record:			
Salary as President	$7,500.00		
Compensation as Director	1,200.00	$ 8,700.00	
Evans Shelby:			
Salary as Vice-President	$2,300.00		
Special counsel fee	8,000.00		
Compensation as Director	800.00	11,100.00	
Richard Reed Rogers:			
Salary as Secretary	$1,600.00		
Compensation as Director	1,200.00	2,800.00	
Edward Burke:			
Salary as Treasurer		2,500.00	
M. W. Fahey:			
Salary as Treasurer	$1,100.00		
Compensation as Director	800.00	1,900.00	
William Kennedy:			
Salary as Asst. Secretary	$1,900.00		
Compensation as Director	800.00	2,700.00	
Calvin Foster:			
Salary as Asst. Treasurer		2,490.00	
Charles J. McLennan:			
Salary as Gen. Manager		10,000.00	
James P. Ross:			
Compensation as Director		800.00	
Millard E. Tydings:			
Compensation as Director		800.00	
Robt. Archer:			
Special counsel fee and expenses		2,294.85	46,084.85
Traveling and entertainment			1,076.93
Provision for depreciation for the preceding calendar year			23,923.20
Salaries and wages of track employees			48,765.80
Repairs and maintenance of property			39,465.52
Automobile and tractor expense			1,562.89
Tools and supplies			1,359.07
Team and auto hire			3,244.25
Track decorations			190.50
Water, heat, and light			4,352.10
Taxes—real estate, personal property, franchise, etc.			11,437.27
FORWARD		$2,521,834.68	$2,907,109.43

REVENUE—(Forward)			$2,907,109.43
EXPENSES—(Forward)		$2,521,834.68	
Insurance premiums		19,577.38	
Stationery, printing, and postage		6,266.77	
Telephone and telegraph—net		1,386.01	
Professional services		2,480.51	
Donations:			
American Red Cross	$ 500.00		
Horsemen's Benevolent and Protective Association	100.00		
Maryland State Police—Welfare Fund	500.00		
Catholic Charities of Baltimore	250.00		
Legion of Valor	200.00		
Harford Memorial Hospital	1,000.00		
Havre de Grace, Chamber of Commerce	250.00		
Havre de Grace Fire Department	200.00		
Perryville Fire Department	25.00		
Boumi Temple Circus	100.00		
United Service Organizations, Inc.	100.00	3,225.00	
Payments as required by statute to:			
Maryland State Fair Board		4,000.00	
Maryland Horsebreeders' Association		2,000.00	
Association dues		2,500.00	
Federal old age benefits tax		2,881.34	
Unemployment compensation taxes		8,468.36	
Miscellaneous		11,463.63	
Total			2,586,083.68
EXCESS OF REVENUE OVER EXPENSES			$ 321,025.75
INCOME CHARGE—Provision for Federal and State taxes on income—estimated			123,000.00
NET INCOME FOR THE YEAR			$ 198,025.75
SURPLUS CHARGE—Dividends paid in cash			80,000.00
SURPLUS FOR THE YEAR			$ 118,025.75

NOTE: In the preparation of the above statement provision has been made for estimated Federal and State taxes on income for the year ended October 31, 1947. This constitutes a departure from the practice followed in prior years when income taxes were reflected in the financial statements only when and as paid.

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have examined the statement of income and surplus of Harford Agricultural and Breeders' Association, Incorporated, for the year ended October 31, 1947, have reviewed the accounting procedures of the Company, and have examined its accounting records and other evidence in support of such financial statement. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the system of internal control.

In our opinion, the above statement of income and surplus fairly presents the operating results of the Association for the year ended October 31, 1947 in conformity with generally accepted accounting principles and practices which, except for the change in the method of reflecting income taxes in the accounts (as referred to in the footnote to the statement, which change we approve), have been applied on a basis consistent with that of the preceding year.

(Signed) HASKINS & SELLS.

Baltimore,

December 18, 1947.

THE MARYLAND STATE FAIR, INCORPORATED

STATEMENT OF INCOME AND SURPLUS

For the Year Ended October 31, 1947

REVENUE:		
Admissions:		
General	$ 320,677.50	
Club house	68,313.00	
Reserved seats	11,686.00	
Boxes	7,350.00	
Service charge in connection with complimentary badges	16,996.10	
Pari-mutuel commissions	2,364,901.90	
Pari-mutuel breakage	320,490.60	
Programs—net	12,776.20	
Concessions	17,500.00	
Sale of manure	1,000.00	
Leads to post	550.00	
Miscellaneous	367.17	
Total		$3,142,608.47
EXPENSES:		
State license	$ 25,000.00	
State tax on pari-mutuel sales	945,960.76	
Tax on admissions	2,175.11	
Amount payable to Maryland Racing Commission as Racing Fund (½ of 1% of amount bet)	118,245.10	
Pari-mutuel breakage paid to State	160,245.30	
Stakes and purses	747,500.00	
Awards to breeders	7,700.00	
Cups and trophies	1,213.70	
Pari-mutuel expenses:		
Salaries and wages	150,199.00	
Stationery and printing	12,631.73	
Other (transportation of money, etc.)	810.78	
Rent of totalisator	69,244.55	
Salaries and wages of racing officials and employees	122,757.10	
Services of detective agency	1,310.12	
Assessment for protective service	20,000.00	
Receiving barn expense (salaries, wages, and expenses of guards)	10,605.43	
Ambulance and medical services and expenses	2,251.52	
Rent of starting stalls and expenses	2,392.01	
Transportation of horses	4,716.37	
Film patrol	14,268.50	
Photo-finish expense	3,000.00	
Teletimer	1,875.00	
Advertising and publicity	34,017.95	
FORWARD	$2,458,120.03	$3,142,608.47

REVENUE—(Forward)			$3,142,608.47
EXPENSES—(Forward)		$2,458,120.03	
Officers' salaries, directors' compensation, and legal fees:			
G. L. Stryker, President and Director (resigned June 1947)	$7,833.33		
Henry A. Parr, III, President and Director (elected June 1947)	2,666.67		
M. J. Winn, Chairman of the Board, Vice-President, and Director (resigned April 1947)	5,000.00		
D. P. McGuire, Vice-President and Director (resigned April 1947)	5,000.00		
S. Bryce Wing, Vice-President and Director (elected June 1947)	1,666.67		
Walter E. Travers, Secretary, Treasurer, and Director (resigned April 1947)	5,000.00		
John O. Needles, Secretary, Treasurer, and Director (elected June 1947)	1,666.67		
Rigan McKinney, director's fees	60.00		
Breckinridge Long, director's fee	20.00		
Luke H. O'Brien, director's fees	60.00		
Frederick S. Rogan, director's and special counsel fees	1,055.00		
James J. Lindsay, legal retainer and special counsel fees	8,500.00	38,528.34	
Office salaries		6,010.50	
Traveling and entertainment		3,816.82	
Provision for depreciation for the preceding calendar year		33,371.13	
Wages of track employees		81,164.28	
Repairs and maintenance of property		56,334.52	
Automobile and tractor expense		2,970.05	
Track decorations		6,112.11	
Saliva test expense		5,970.00	
Horse identification		1,860.00	
Jockeys' laundry and saddle cloths		1,196.30	
Amplification system		825.00	
Track cleaning		7,979.53	
Track kitchen subsidy		1,858.50	
Jockeys' insurance		2,910.00	
Swamp fever prevention and control		4,900.00	
Water, heat, and light		8,266.12	
Taxes—real estate, franchise, personal property, etc.		19,714.89	
Insurance premiums—net		13,646.30	
Telephone and telegraph—net		2,201.81	
FORWARD		$2,757,756.23	$3,142,608.47

REVENUE—(Forward)			$3,142,608.47
EXPENSES—(Forward)		$2,757,756.23	
Professional services		2,538.61	
Interest on loan		555.56	
Donations:			
Saint Mary's Roman Catholic Church..	$2,000.00		
Prince George's General Hospital Guild	1,000.00		
Prince George's Library Fund	100.00		
Laurel Volunteer Fire Department	50.00	3,150.00	
Payments as required by statute to:			
Maryland State Fair Board		4,000.00	
Maryland Horse Breeders' Association		2,000.00	
Federal old age benefits tax		3,542.25	
Unemployment compensation taxes		9,707.60	
Rent		400.00	
Stationery, printing, and postage		12,664.44	
Miscellaneous		6,301.57	
Total			2,802,616.26
EXCESS OF REVENUE OVER EXPENSES			$ 339,992.21
OTHER INCOME CREDITS:			
Refund of Federal income and excess profits taxes applicable to calendar years 1943 and 1944		$ 5,052.81	
Pari-mutuel tickets outstanding applicable to meeting of the fiscal year 1944 credited to income		20,699.60	
Total			25,752.41
GROSS INCOME			$ 365,744.62
INCOME CHARGES:			
Loss on abandonment of construction project		$ 46,436.96	
Provision for Federal and State taxes on income—estimated		155,450.93	
Total			201,887.89
NET INCOME FOR THE YEAR			$ 163,856.73
SURPLUS CHARGES:			
Write-off of unrealized appreciation of land		$ 300,000.00	
Dividends paid, January 6, 1947		49,890.00	
Total			349,890.00
DEFICIT FOR THE YEAR			$ 186,033.27

NOTE: In the preparation of the above statement provision has been made for estimated Federal and State taxes on income for the year ended October 31, 1947. This constitutes a departure from the practice followed in prior years when income taxes were reflected in the financial statements only when and as paid.

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have examined the statement of income and surplus of The Maryland State Fair, Incorporated, for the year ended October 31, 1947, have reviewed the accounting procedures of the Company, and have examined its accounting records and other evidence in support of such financial statement. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the system of internal control.

In our opinion, the above statement of income and surplus fairly presents the operating results of the Company for the year ended October 31, 1947 in conformity with generally accepted accounting principles and practices which, except for the change in the method of reflecting income taxes in the accounts (as referred to in the footnote to the statement, which change we approve), have been applied on a basis consistent with that of the preceding year.

(Signed) HASKINS & SELLS.

Baltimore,
December 27, 1947.

THE MARYLAND JOCKEY CLUB OF BALTIMORE CITY

STATEMENT OF INCOME AND SURPLUS

For the Year Ended November 30, 1947

REVENUE:		
Admissions:		
General	$ 398,707.50	
Reserved seats	33,320.25	
Club house	54,199.00	
Boxes	16,800.00	
Service charges in connection with complimentary badges	17,636.60	
Membership dues	35,400.00	
Pari-mutuel commissions	2,744,415.00	
Pari-mutuel breakage	367,053.70	
Programs—net	18,569.60	
Concessions	20,000.00	
Rental of real estate—net	6,758.82	
Miscellaneous	11,207.19	
Total		$3,724,067.66
EXPENSES:		
State license	$ 25,000.00	
State tax on pari-mutuel sales	1,097,766.00	
Amount remitted to Maryland Racing Commission as Racing Fund (½ of 1% of amount bet)	137,220.76	
Pari-mutuel breakage paid to State	183,526.85	
State tax on admissions	2,558.02	
Stakes and purses	1,034,500.00	
Awards to breeders	12,100.00	
Trophies	8,164.44	
Pari-mutuel expenses:		
Salaries and wages	165,321.00	
Stationery and printing	14,625.75	
Transportation of money	1,493.50	
Rent of totalisator	73,223.52	
Salaries and wages of racing officials and employees	167,649.58	
Assessment for protective service	20,000.00	
Services of detective agency and receiving barn expenses	15,225.90	
Saliva tests	3,725.00	
Ambulance service	1,780.00	
Expense of starting stalls	5,925.39	
Photo-finish and teletimer expense	25,525.00	
Expense of combating swamp fever	7,665.00	
Music and announcing	7,889.00	
Advertising and publicity service	50,775.50	
FORWARD	$3,061,660.21	$3,724,067.66

REVENUE—(Forward)			$3,724,067.66
EXPENSES—(Forward)		$3,061,660.21	
Officers' salaries, pension to former officer, directors' compensation, and legal and other fees:			
Salaries and directors' compensation:			
H. A. Parr, III, President, Treasurer, and Director	$20,140.00		
W. W. Lanahan, Vice-President and Director	5,110.01		
John O. Needles, Secretary and Director	8,740.00		
John M. Heil, Assistant Secretary..	5,400.01		
H. S. Thompson, Asst. Treasurer....	4,100.00		
Pension and director's compensation—			
M. L. Daiger	6,050.00		
Directors' compensation:			
Vaughn Flannery	50.00		
Dr. Walter Wickes	50.00		
D. S. Gittings	30.00		
Lawrence Perin	140.00		
John K. Shaw, Jr	90.00		
Alfred G. Vanderbilt	20.00		
Legal and other fees:			
Semmes, Bowen and Semmes (exclusive of fee re purchase of Hammond property)	11,778.60		
Harry T. Gross	2,500.00		
Bennett Crain	35,000.00		
Barton, Wilmer, Bramble, Addison and Semans	1,000.00		
John G. Turnbull	2,000.00	102,198.62	
Office salaries		11,308.00	
Pension to former employee		1,500.00	
Travel expense		4,989.66	
Rent of track property		39,779.20	
Amortization of improvements to leased property and provision for depreciation of property owned		55,094.55	
Wages of regular track employees		79,832.10	
Repairs and maintenance of property		116,794.94	
Tools and supplies		2,292.93	
Auto and truck hire		9,346.88	
Water, heat, and light		12,144.86	
Taxes—real estate, personal property, franchise, etc.		39,946.87	
Insurance premiums		21,551.82	
Stationery and printing		20,915.21	
Telephone and telegraph		6,776.09	
FORWARD		$3,586,131.94	$3,724,067.66

REVENUE—(Forward)			$3,724,067.66
EXPENSES—(Forward)		$3,586,131.94	
Legal and professional accounting expenses		3,191.09	
Interest on loans		17,189.55	
Donations:			
Maryland Horsemen's Assistance Fund, Inc.	$500.00		
Horsemen's Benevolent & Protective Association	200.00	700.00	
Payments as required by statute to:			
Maryland State Fair Board		4,000.00	
Maryland Horse Breeders' Association		2,000.00	
Federal old age benefits tax		4,468.83	
Unemployment insurance taxes		10,943.78	
Miscellaneous		26,991.98	
Total			3,655,617.17
EXCESS OF REVENUE OVER EXPENSES			$ 68,450.49
INCOME CREDITS:			
Pari-mutuel tickets applicable to meetings of prior years credited to income during the year—net		$ 28,187.30	
Refund of unemployment insurance taxes applicable to prior years		1,858.86	
Total			30,046.16
GROSS INCOME			$ 98,496.65
INCOME CHARGES—Provision for Federal and State taxes on income—estimated			41,700.00
NET INCOME FOR THE YEAR			$ 56,796.65
SURPLUS CHARGES:			
Adjustment of property and reserves for depreciation accounts to conform to findings of Internal Revenue Service		$ 30,147.39	
Dividends paid		22,700.00	
Total			52,847.39
SURPLUS FOR THE YEAR			$ 3,949.26

The accompanying footnotes on the following page are an integral part of this statement.

NOTES:

A. In the preparation of the above statement provision has been made for estimated Federal and State taxes on income for the year ended November 30, 1947. This constitutes a departure from the practice followed in prior years when income taxes were reflected in the financial statements only when and as paid.

B. In accordance with the Club's consistent accounting policy, insurance premiums ($21,551.82) represent only such premiums as were paid during the year 1947. Had these premiums and those paid in prior years been allocated over the terms of the respective policies the net income for the year 1947 would have been reduced by approximately $32,000.

C. The Club's equity in the undistributed net income (*loss) of subsidiaries not consolidated for the year ended November 30, 1947 is approximately as follows:

The Maryland State Fair, Incorporated	$108,400.00†
Maryland State Fair and Agricultural Society of Baltimore County, Md.	23,500.00*
Total	$ 84,900.00

*Denotes loss.

†Before deducting $300,000 write-off of appreciation of property charged direct to surplus account.

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have examined the statement of income and surplus of The Maryland Jockey Club of Baltimore City for the year ended November 30, 1947, have reviewed the accounting procedures of the Club, and have examined its accounting records and other evidence in support of such financial statement. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the system of internal control.

In our opinion, the above statement of income and surplus fairly presents the operating results of the Club for the year ended November 30, 1947 in conformity with generally accepted accounting principles and practices which, except for the change in the method of reflecting income taxes in the accounts (as referred to in the footnote to the statement, which change we approve), have been applied on a basis consistent with that of the preceding year.

(Signed) HASKINS & SELLS.

Baltimore,
December 30, 1947.

THE SOUTHERN MARYLAND AGRICULTURAL ASSOCIATION OF PRINCE GEORGE'S COUNTY, MARYLAND

STATEMENT OF INCOME AND SURPLUS

For the Year Ended November 30, 1947

REVENUE:		
Admissions:		
General	$ 281,406.00	
Club house	52,136.00	
Boxes and reserved seats	20,690.05	
Service charges in connection with complimentary badges	18,742.10	
Pari-mutuel commissions	2,180,163.20	
Pari-mutuel breakage	315,181.70	
Programs—net	16,325.10	
Concessions	30,085.53	
Interest	4,100.00	
Miscellaneous	1,675.84	
Total		$2,920,505.52
EXPENSES:		
State license	$ 25,000.00	
State tax on pari-mutuel sales	872,065.29	
State tax on admissions	1,865.72	
Amount remitted to Maryland Racing Commission as Racing Fund (½ of 1% of amount bet)	109,008.16	
Pari-mutuel breakage paid to State	157,590.85	
Stakes and purses	646,500.00	
Awards to breeders	5,950.00	
Pari-mutuel expenses:		
Salaries and wages	129,629.00	
Stationery and printing	9,165.58	
Insurance on money	3,500.00	
Miscellaneous	1,328.65	
Rent of totalisator	67,504.05	
Salaries and wages of racing officials and employees	90,219.50	
Detective services (including receiving barn expenses)	17,520.59	
Ambulance and medical service	500.00	
Rent of starting stalls	3,750.00	
Transportation of horses	8,738.92	
Photo-finish expense	3,125.00	
Music and announcing	850.00	
Saliva tests	4,400.00	
Jockeys' laundry	927.00	
Jockeys' insurance	2,446.62	
Track cleaning	7,377.04	
Advertising and publicity service	21,025.40	
FORWARD	$2,189,987.37	$2,920,505.52

REVENUE—(Forward)				$2,920,505.52
EXPENSES—(Forward)			$2,189,987.37	
Officers' salaries, directors' compensation, and legal fees:				
M. H. Magruder, President (to May 7, 1947):				
Salary and counsel fee	$9,000.00			
Compensation as Director	250.00	$ 9,250.00		
Wm. T. Davis, Secretary (to May 7, 1947):				
Salary	$ 625.00			
Compensation as Director	250.00	875.00		
John Farrell, Secretary (from May 7, 1947)		875.00		
Joseph A. Farrell, General Manager (and President after May 7, 1947)		12,500.00		
Laurence E. O'Hara, Treasurer and Assistant Manager		6,000.00		
Mrs. Josephine M. O'Hara, Vice-President and Assistant to General Manager		7,500.00		
Mrs. Helen L. Boyle, Assistant to the Treasurer (died August 1947)		3,750.02		
Howard S. Pierce, Assistant Treasurer (from September 1947)		1,250.01		
Wyatt & Jones, legal fee		500.00		
Compensation as Director:				
James A. Bean		250.00		
James B. Berry		250.00		
Brice Bowie		250.00		
Adrian P. Fisher		250.00		
Frank M. Hall		250.00		
W. Curtis Hopkins		250.00		
Guy W. Latimer		250.00		
Thomas N. Magruder		250.00		
Oliver S. Metzerott		250.00		
Ellis O. Middleton		250.00	45,000.03	
Office salaries			2,080.00	
Traveling and entertainment			500.12	
Wages paid to regular track employees			13,591.73	
Repairs and maintenance			112,429.23	
Automobile and tractor expense			6,571.95	
Light, heat, and water			7,097.26	
FORWARD			$2,377,257.69	$2,920,505.52

REVENUE—(Forward)			$2,920,505.52
EXPENSES—(Forward)		$2,377,257.69	
Taxes—real estate, personal property, franchise, etc.		12,944.20	
Insurance premiums		18,108.47	
Rent of offices		1,800.00	
Stationery and printing		11,745.25	
Telephone and telegraph		3,171.34	
Professional services		7,246.02	
Provision for depreciation for the preceding calendar year		24,864.78	
Donations:			
American Red Cross	$500.00		
Community Fund of Baltimore	500.00		
Community Fund of Prince George's County	500.00		
Maryland Hunter Show	50.00		
Army and Navy Legion of Valor	200.00		
Police and Sheriffs' Association	50.00		
Sundry small donations	11.00	1,811.00	
Payments as required by statute to:			
Maryland State Fair Board		4,000.00	
Maryland Horse Breeders' Association		2,000.00	
Social security taxes		6,082.56	
Net loss from operation of track kitchen		6,669.17	
Miscellaneous		7,631.12	
Total			2,485,331.60
EXCESS OF REVENUE OVER EXPENSES			$ 435,173.92
INCOME CREDITS:			
Fire loss recoveries—net		$ 18,672.22	
Amount received from Maryland Racing Commission out of Racing Fund for improvements to track		167,951.48	
Adjustment of property and related reserve for depreciation accounts to conform to findings of Internal Revenue Service		8,645.13	
Miscellaneous		451.38	
Total			195,720.21
GROSS INCOME—(Forward)			$ 630,894.13

GROSS INCOME—(Forward)		$ 630,894.13
INCOME CHARGES:		
Provision for Federal and State income taxes—estimated	$ 250,000.00	
Additional assessments of Federal income and excess profits taxes applicable to calendar years 1942 to 1946, inclusive—net	35,122.50	
Total		285,122.50
NET INCOME FOR THE YEAR		$ 345,771.63
SURPLUS CHARGE—Dividends paid		119,820.00
SURPLUS FOR THE YEAR		$ 225,951.63

NOTE: In the preparation of the above statement provision has been made for estimated Federal and State taxes on income for the year ended November 30, 1947. This constitutes a departure from the practice followed in prior years when income taxes were reflected in the financial statements only when and as paid.

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

We have examined the statement of income and surplus of The Southern Maryland Agricultural Association of Prince George's County, Maryland for the year ended November 30, 1947, have reviewed the accounting procedures of the Association, and have examined its accounting records and other evidence in support of such financial statement. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all auditing procedures we considered necessary, which procedures were applied by tests to the extent we deemed appropriate in view of the system of internal control.

In our opinion, the above statement of income and surplus fairly presents the operating results of the Association for the year ended November 30, 1947 in conformity with generally accepted accounting principles and practices which, except for the change in the method of reflecting income taxes in the accounts (as referred to in the footnote to the statement, which change we approve), have been applied on a basis consistent with that of the preceding year.

(Signed) HASKINS & SELLS.

Baltimore,
December 24, 1947.

THE HARFORD COUNTY FAIR ASSOCIATION, INCORPORATED

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year Ended December 9, 1947

REVENUE:				
Admissions, boxes, club and racing memberships and service charges in connection with complimentary badges, including taxes thereon collected for the Federal and State Governments		$ 65,535.00		
Less: Taxes collected and remitted to Federal Government	$15,866.60			
Taxes collected and remitted to State Government	4,059.45	19,926.05	$ 45,608.95	
Pari-mutuel commissions			373,942.50	
Pari-mutuel breakage		57,917.40		
Less: One-half (½) thereof paid to Comptroller for use of Maryland State Fair Board		28,958.70	28,958.70	
Concessions at races			3,600.00	
Sales of racing programs, including retail sales tax collected for State of Maryland		6,328.68		
Less: Maryland retail sales tax remitted to Comptroller		271.68	6,057.00	
Sale of manure			1,000.00	
Concessions at fair			417.50	
Entry fees for poultry exhibits at fair			407.00	
Interest income			2,564.75	
Statutory compensation for collection and remittance of Maryland retail sales tax			8.15	
Fund reserved for outstanding 1944 pari-mutuel tickets transferred to general cash and credited to income			2,400.75	
TOTAL REVENUE				$464,965.30
EXPENSES:				
County racing license		$ 500.00		
State tax on money wagered		124,577.00		
Maryland tax on gross receipts from admissions		228.04		
Race purses		84,300.00		
Awards to breeders		1,680.00		
Pari-mutuel expenses:				
Salaries and wages		23,589.00		
Stationery, printing and supplies		1,606.35		
Transportation of money		463.50		
Burglary and robbery insurance		189.55		
Cash shortages, net		160.80		
Totalisator adjustment		18.20		
Rent of totalisator		5,000.00		
Rent of approximate odds board		250.00		
Salaries and wages of racing officials and employees		13,978.00		
Racing secretary's stationery and supplies		1,613.82		
Printing of racing programs		2,712.75		
Printing admission tickets and badges		2,497.10		
Services of detectives and wages of gatekeepers		15,930.20		
Assessment for protective service		2,500.00		
Hire of ambulance and fire engine		615.00		
Finish photos		750.00		
Saliva tests		1,000.00		
FORWARD		284,159.31		
TOTAL REVENUE—(Forward)				$464,965.30

TOTAL REVENUE—(Forward)			$464,965.30
EXPENSES—(Forward)		$284,159.31	
Rent of starting gate		825.00	
Vanning horses		419.73	
Hire of buses		1,599.00	
Racing association membership dues		500.00	
Music and announcing		473.03	
Race advertising and publicity		4,305.82	
Jockeys' insurance premiums		870.00	
Public liability insurance premiums for races		199.80	
Fair premiums (supporting statement submitted)	$15,649.50		
Less: Allocation authorized by State Fair Board and received from Comptroller	12,500.00	3,149.50	
Free entertainment at fair		400.00	
Hire of dynamometer		35.00	
Hire of tents		325.00	
Judges' fees		235.00	
Judges' expenses		82.54	
Advertising fair		860.45	
Public liability insurance premium for fair		90.75	
Fair premium lists, ribbons, tags and stationery		1,243.60	
Other fair supplies and superintendents' expenses		776.68	
Preparing, setting up and dismantling fair equipment and cleaning premises		2,942.32	
Wages of clerical workers at fair		862.68	
Wages of fair superintendents and assistants		772.00	
Police services at fair		127.50	
Electricity		613.96	
Fire insurance premiums		4,116.69	
Public liability insurance premiums, general		493.08	
Workmen's compensation insurance premiums		475.22	
Interest expense		187.50	
Maryland retail sales license		1.00	
Maintenance and repair of property		18,435.01	
Postage		422.39	
Rent of safe deposit box		58.50	
Officers' salaries:			
G. Ray Bryson, Vice-President and Managing Director	$9,375.00		
Thomas Roy Brookes, President	1,875.00		
A. G. Ensor, Secretary-Treasurer	1,875.00	13,125.00	
Directors' fees:			
Benjamin W. Amoss	$ 500.00		
John N. Kunkel	500.00		
Ray C. Norman	500.00		
Adolphe Pons	500.00		
Clarence Street	500.00		
A. H. Wilson	500.00	3,000.00	
Legal fees		2,375.00	
Office salaries		6,620.00	
Caretaker's salary		1,515.00	
Public stenographers and mimeographing		35.88	
General supplies and small tools		1,054.90	
Forward		$357,783.84	
TOTAL REVENUE—(Forward)			$464,965.30

TOTAL REVENUE—(Forward)			$464,965.30
EXPENSES—(Forward)		$357,783.84	
Telephone and telegraph		1,272.15	
Travel expense		329.57	
Taxes (not hereinbefore listed):			
County tax on personal property		90.24	
County tax on real property		2,037.42	
State tax on personal property		7.52	
State tax on real property		173.25	
Employer's Federal old age benefits tax		813.88	
Maryland unemployment tax		545.29	
Federal unemployment tax		260.84	
Maryland corporation franchise tax		85.00	
Maryland use tax		5.31	
Cost of improvements and additions to property of The Harford County Fair Association, Inc., during the year ended December 9, 1947 (customarily allowed by the Commission as a deduction in determining net revenue):			
Buildings	$13,215.78		
Motor truck	600.00		
Office equipment	235.01		
Other equipment	2,385.50	16,436.29	
TOTAL EXPENSES			$379,840.60
Net Revenue for the Year Ended December 9, 1947 (without deduction of Federal and State taxes on income, depreciation and donations)			$ 85,124.70

The foregoing statement is made on the basis of cash receipts and cash disbursements for the year ended December 9, 1947. The expenses therein listed do not include Federal and State taxes on income, depreciation or donations.

THE HARFORD COUNTY FAIR ASSOCIATION, INC.

By: (Signed) A. G. ENSOR,
Secretary-Treasurer.

STATE OF MARYLAND }
HARFORD COUNTY } ss:

I HEREBY CERTIFY that on this 18th day of December, 1947, before me, the subscriber, a Notary Public of the State of Maryland, in and for Harford County, duly commissioned and qualified, personally appeared A. G. Ensor, the above named Secretary-Treasurer, and made oath in due form of law that the foregoing statement, with its supporting schedule of premiums paid, is true and correct to the best of his knowledge and belief.

WITNESS my hand and Notarial Seal the day and year last above written.

(Signed) DOROTHY H. JAMES,
Notary Public.

AGRICULTURAL AND MECHANICAL ASSOCIATION OF WASHINGTON COUNTY

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Fiscal Year Ended November 30, 1947

REVENUE:			
Admissions			$ 71,072.82
Pari-mutuel commissions and breakage			300,011.70
Concessions			16,930.83
Rentals			255.00
Program sales (net)			2,293.41
Entry fees			2,690.50
Unclaimed pari-mutuel tickets, year 1944			1,927.05
Miscellaneous (supporting statement submitted)			4,540.44
State of Maryland			12,500.00
Total			$412,221.75
EXPENSES:			
County racing license—10 days @ $50 per day		$ 500.00	
State tax on wagers		76,736.64	
Pari-mutuel breakage paid to State		22,835.05	
Admission tax:			
Federal	$14,217.36		
State of Maryland	2,778.43	16,995.79	
Real estate taxes		1,796.48	
Race purses, running races		80,300.00	
Bonus payments to Maryland horse breeders		1,400.00	
Repairs and maintenance of property		30,395.22	
Pari-mutuel expenses:			
Salaries and wages	$24,813.35		
Rental of machines	3,750.00		
Stationery and supplies	1,049.30		
Bank service charge	200.00		
Cash shortage (net)	5.09	29,817.74	
Race Secretary expenses:			
Salaries—State officials	$ 3,865.00		
Salaries—track officials	8,517.00		
Salaries—secretary, manager and office	5,890.00		
Salaries—guards, etc.	5,575.20		
Advertising	1,437.79		
Rental of equipment	1,607.50		
Saliva test	2,325.00		
Supplies and expense	7,219.71		
Jockey insurance	660.00		
Liability insurance	1,619.27	38,716.47	
Free attractions at fair		13,063.00	
Fair exhibitions: (Supporting statement submitted)			
Premiums and awards	$13,339.55		
Other costs	3,699.42	17,038.97	
Trotting races at fair:			
Purses	$ 5,200.00		
Other costs, (supporting statement submitted)	895.03	6,095.03	
REVENUE—(Forward)			$335,690.39
EXPENSES—(Forward)			$412,221.75

EXPENSES:—(CONT.)			
REVENUE—(Forward)		$335,690.39	
EXPENSES—(Forward)			$412,221.75
Admissions—fair and race meeting:			
Salaries and wages	$ 4,610.51		
Other costs (supporting statement submitted)	1,439.89	6,050.40	
Guards and attendants—fair		3,775.06	
Advertising and publicity—fair		2,195.34	
Insurance		947.48	
Other costs—(supporting statement submitted)		2,574.39	
Professional fees		1,250.00	
Contributions		528.00	
General expense—(supporting statement submitted)		4,357.08	
Officers' salaries:			
D. Eldred Rinehart, President	$ 25.00		
Roger G. Hershey, Vice President	16.00		
Charles E. Cushwa, Recording Secretary	300.00		
Clyde R. Stouffer, Corresponding Secretary	200.00		
Robert C. Snavely, Treasurer	250.00	791.00	
Directors' fees:			
Walter W. Cunningham	$ 16.00		
Simon L. Downey	16.00		
C. William Hetzer	16.00		
Charles W. Hoffman	16.00		
Charles W. Huyett	16.00		
Leonard G. Mathias	16.00		
Phillip H. Mathias	16.00		
Edward Oswald, Jr.	16.00		
J. Richard Rauth	16.00		
Robert C. Snavely	16.00	160.00	
TOTAL EXPENSES			358,319.14
NET OPERATING REVENUE FOR THE FISCAL YEAR ENDED NOVEMBER 30, 1947			$ 53,902.61
Less—Capitalized Improvements to Property:			
Land		$ 9,437.84	
Receiving barn		21,672.86	
Exhibition hall improvements		5,937.93	
Chevrolet truck		2,724.31	
Other equipment		356.82	40,129.76
NET REVENUE FOR THE FISCAL YEAR ENDED NOVEMBER 30, 1947			$ 13,772.85

The above statement sets forth a true and accurate report of receipts and disbursements of the Agricultural and Mechanical Association of Washington County for the fiscal year ended November 30, 1947.

(Signed) ROBERT C. SNAVELY, Treasurer.

STATE OF MARYLAND }
WASHINGTON COUNTY } ss:

I HEREBY CERTIFY that on this 20th day of December, before me, the subscriber, a notary public of the State of Maryland, in and for the City of Hagerstown, Washington County aforesaid, personally appeared, Robert C. Snavely, Treasurer of the Agricultural and Mechanical Association of Washington County, and made oath in due form of law that the aforegoing statement is true, to the best of his knowledge, information and belief.

WITNESS my hand and notarial seal.

(Signed) VERA MILLER, Notary Public.

CUMBERLAND FAIR ASSOCIATION, INCORPORATED

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year Ended September 30, 1947

REVENUE:		
Admissions		$ 27,566.06
Mutuels		310,496.90
Racing programs		3,638.60
Entry fees—poultry		759.00
Premium book advertising		827.50
Unpaid mutuel tickets—1944		2,347.92
Concessions		3,500.00
Appropriation—State of Maryland		5,000.00
TOTAL RECEIPTS		$354,135.98
EXPENSES:		
RACING:		
County license	$ 500.00	
State of Maryland—mutuel tax	80,603.48	
State of Maryland—breakage	23,244.10	
Racing purses	82,200.00	
Salaries—racing officials	11,477.00	
Salaries—mutuel employees	24,116.00	
Totalisator	8,083.36	
Policing	6,428.40	
Starting gate	2,330.50	
Mobile laboratory—saliva test	2,325.00	
Horse Breeders' Association	1,720.00	
Mutuel tickets	1,613.63	
Mutuel supplies	1,337.05	
Photo-finish	750.00	
Jockeys' insurance	660.00	
Race publicity	575.00	
Plumbing—Stables	380.00	
Ambulance	150.00	
Washing	130.00	
Printing	126.28	
Sprinkler	100.00	
Railroad siding repairs	75.60	
Miscellaneous items	39.00	
TOTAL RACING EXPENSE		$248,964.40
ASSOCIATION:		
Admission tax—Collector Internal Revenue	$ 5,739.95	
Maryland Racing Commission —5% tax	6,019.54	
County and State tax	2,601.00	
Admission tax—State of Md	1,882.37	
Unemployment tax	1,335.51	
Social Security tax	384.14	
Red Cross—Community Chest—YMCA	650.00	
ASS'N EXPENSE—(Foward)	$18,612.51	
TOTAL RECEIPTS—(Forward)		$354,135.98
TOTAL RACING EXPENSE—(Forward)	$248,964.40	

TOTAL RECEIPTS—(Forward)			$354,135.98
TOTAL RACING EXPENSE—(Forward)		$248,964.40	
ASS'N EXPENSE—(Foward)	$18,612.51		
Blacktopping roads and grounds	7,449.48		
Pay-rolls—ticket sellers, etc.	3,329.57		
Re-roofing stables	2,900.00		
Electric repairs	2,489.91		
Office expense	1,528.59		
Manager's expense	1,119.50		
Paint	705.75		
Plumbing repairs	468.86		
Light and power	447.12		
Tickets	396.12		
Telephone and telegraph	344.66		
Fire extinguishers	340.51		
Water rental	231.90		
Oil and gasoline	170.50		
Misc. items and purchases	780.51		
TOTAL ASSOCIATION EXPENSE		41,315.49	
OTHER EXPENSE:			
Advertising	$ 2,366.12		
Association labor	3,602.72		
Insurance	5,441.26		
Interest	8,043.74		
Exhibits	10,531.04		
Salaries	18,125.00		
TOTAL OTHER EXPENSE		48,109.88	
TOTAL EXPENSE			338,389.77
NET OPERATING INCOME			$ 15,746.21

The preceding statement is a true and accurate report of the Income and Expense of the Cumberland Fair Association for the fiscal year ending September 30, 1947.

(Signed) CLIFTON W. WHITE, President.

Sworn to and subscribed before me this 13th day of December, 1947.

(Signed) CARL F. SCHMUTZ, Notary Public.

MARYLAND STATE FAIR AND AGRICULTURAL SOCIETY OF BALTIMORE COUNTY

STATEMENT OF RECEIPTS AND DISBURSEMENTS

For the Year Ended November 30, 1947

INCOME:			
Admissions:			
Gate		$83,329.10	
Boxes and reserved seats		3,399.00	$ 86,728.10
Privileges:			
Midway and agricultural imp.		$15,494.80	
Restaurants		3,500.00	18,994.80
Entrance fees			4,678.00
Pari-mutuel commissions			314,190.30
Pari-mutuel breakage			50,279.00
Programs (net)			2,112.92
Real estate rentals:			
Rent of grounds		$ 2,799.90	
Other		3,485.00	6,284.90
Annual Contribution from County Commissioners of Baltimore County			2,000.00
Miscellaneous			1,893.09
TOTAL INCOME			$487,161.11
EXPENSES:			
Premiums paid	$47,912.97		
4-H Club Premiums	6,909.50		
4-H Club, Miscellaneous premiums	1,980.72	56,803.19	
Less:			
Md. State Fair Board appropriation	50,000.00		
Other contributions	893.27	50,893.27	5,909.92
Agricultural fair expenses			3,778.35
Salaries:			
Fair employees		$12,063.80	
Office		6,484.96	
Officers and department heads		24,025.00	42,573.76
Directors' fees			370.00
Catalogues (net)			3,096.60
Stationery and printing			6,524.03
Travel expense			579.48
Purses			82,550.00
State tax on pari-mutuel sales			100,676.12
State tax on breakage			25,139.50
Baltimore County license			500.00
Expenses of receiving barn and mobile laboratory			9,117.00
EXPENSES—(Forward)			$280,814.76
REVENUE—(Forward)			$487,161.11

REVENUE—(Forward)			$487,161.11
EXPENSES—(Forward)		$280,814.76	
Pari-mutuel expenses:			
Salaries	$27,556.00		
Stationery	1,377.01		
Transportation of money	522.73	29,455.74	
Salaries, racing officials and employees		23,860.20	
Rent of totalisator		14,555.13	
Awards to breeders		2,790.00	
Insurance		25,694.38	
Starting gate and photo-finish		1,751.16	
Taxes—personal property and miscellaneous		6,300.61	
Advertising		$ 3,926.37	
Vanning		2,774.85	
Meals		1,952.05	
Legal fees		2,827.96	
Ambulance		480.00	
Telephone and telegraph		1,064.47	
Interest on loans		977.31	
Water, light and heat		2,075.95	
Announcing		300.00	
Improvements, maintenance and repairs		109,309.00	
Expenses for combatting swamp fever		750.00	
Miscellaneous		8,909.78	
Donations		20.00	
Trophies		196.75	
Tools and supplies		15.00	
TOTAL EXPENSES			520,801.47
LOSS FROM OPERATIONS			$ 33,640.36
OTHER INCOME:			
Refund from Maryland State Unemployment Compensation Fund		$ 491.14	
Maryland State Fair Board—Payment of money advanced for 4-H Club trip in 1946		600.00	1,091.14
LOSS FOR THE YEAR			$ 32,549.22

MARYLAND STATE FAIR AND AGRICULTURAL SOCIETY OF
BALTIMORE COUNTY, MARYLAND

By: (Signed) MATT L. DAIGER, President.

Sworn to and subscribed before me this 18th day of December, 1947.

(Signed) CLEMENT W. CROOKS, Notary Public.

SOUTHERN MARYLAND AGRICULTURAL FAIR ASSOCIATION OF PRINCE GEORGE'S COUNTY

STATEMENT OF INCOME AND SURPLUS

For the Fiscal Year Ended October 31, 1947

REVENUE:		
Admissions:		
General	$ 40,312.00	
Service charges in connection with complimentary badges	1,524.30	
Horse show	316.23	
Pari-mutuel commissions	308,664.30	
Pari-mutuel breakage	51,072.80	
Income from prior outstanding tickets, 1944	1,730.00	
Concessions	7,982.41	
Program advertising—net	108.00	
Fair book advertising	495.00	
Programs—net	1,766.55	
Leads to post	110.00	
Sale of manure	400.00	
Entry fees—Horse Show	233.00	
Miscellaneous	54.11	
Total Revenue		$414,768.70
EXPENSES:		
State license—10 days @ $50 per day	$ 500.00	
State tax on pari-mutuel sales	98,465.72	
Pari-mutuel breakage paid to State	25,536.40	
State tax on admissions	210.76	
Purses	82,600.00	
Pari-mutuel expenses:		
Salaries and wages	18,203.00	
Rent of totalisator	5,000.00	
Stationery, printing, postage	1,037.18	
Miscellaneous	544.25	
Salaries and wages of racing officials and employees	19,710.50	
Detective service	4,633.05	
Photo-finish expense	750.00	
Music and announcing	200.00	
Advertising and publicity	8,729.30	
Officers' salaries	18,500.00	
Office salaries	1,500.00	
Repairs and maintenance	38,070.07	
Taxes—real and personal, franchise	887.23	
Payroll taxes	1,308.04	
Breeders' awards	2,350.00	
Insurance	4,252.91	
Transportation of horses	1,341.06	
Rent of starting stalls	825.00	
Jockeys' laundry	253.25	
Ambulance and medical	169.00	
Track cleaning	1,000.00	
Wages of track employees	550.00	
Saliva test	2,325.00	
Telephone and telegrams	282.47	
Stationery, printing, postage	2,110.38	
Heat, light, water	39.15	
Auto and tractor expense	448.19	
Miscellaneous racing expense	726.73	
Depreciation for calendar year, 1946	2,388.16	
Travel expense	203.95	
Expense of fair—net (supporting statement submitted)	4,372.92	
Total expense		350,023.67
EXCESS OF REVENUE OVER EXPENSES		$ 64,745.03

EXCESS OF REVENUE OVER EXPENSES—(Forward)		$ 64,745.03
Provision for Income Taxes—		
Federal, 1947	$24,234.06	
State, 1947	971.17	
		$ 25,205.23
NET REVENUE		$ 39,539.80

ACCOUNTANTS' CERTIFICATE

MARYLAND RACING COMMISSION:

I have examined the Statement of Income and Surplus of The Southern Maryland Agricultural Fair Association of Prince George's County, Maryland, for the fiscal year ended October 31, 1947. While I did not make a detailed audit of the transactions, I did make a general review of the accounting methods and of the income and expense accounts and examined or tested accounting records of the Association and other supporting evidence in a manner and to the extent which I considered appropriated, in view of the system of internal control.

In my opinion, the above statement of Income and Surplus presents fairly the operating results of the Association for the fiscal year ended October 31, 1947.

(Signed) THOMAS W. MILLER,
Certified Public Accountant.

Baltimore, Maryland,
December 6, 1947.

Sworn to and subscribed before me this 29th day of December, 1947.

(Signed) CHARLOTTE V. HARTER,
Notary Public.

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